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Hospice Benefits Under Medicare



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HOSPICE BENEFITS UNDER MEDICARE

Congress has expanded the Medicare (Part A) hospital insurance program to include hospice care as a new benefit for three years, beginning November 1, 1983. This means that people who have a terminal illness can now receive a full scope of medical and support services for their terminal condition while continuing to live in their own homes or other settings outside of a hospital. This pamphlet explains the special rules that apply to Medicare coverage of, and payment for, hospice care.

WHAT IS HOSPICE CARE?

Under Medicare, hospice is primarily a comprehensive home care program which provides all the reasonable and necessary medical and support services for the management of a terminal illness, including pain control. Covered services include physician services, nursing care, medical appliances and supplies (including outpatient drugs for symptom management and pain relief), home health aide and homemaker services, therapies, medical social services, and counseling. In addition to the broad range of outpatient services, short-term inpatient care is also covered. When a patient receives these services from a Medicare-certified hospice, Medicare hospital insurance pays almost the entire cost. There are no deductibles or co-payments, except for limited cost-sharing for outpatient drugs and inpatient respite care (see page 4).



WHO IS ELIGIBLE?

To be eligible for hospice care, four conditions must be met:

- The patient is eligible for Medicare (Part A) hospital insurance;
- The patient's doctor and the hospice medical director certify that the patient has a terminal illness;
- The patient signs a statement choosing hospice care instead of standard Medicare benefits for the terminal illness;
- The patient receives care from a Medicare-certified hospice program.

WHO CAN PROVIDE HOSPICE CARE?

Hospice services can be provided by a public agency or private organization that is primarily engaged in furnishing care to terminally ill people and their families. To receive Medicare payment, the agency or organization must be certified by Medicare to provide hospice services—even if it is already approved by Medicare to provide other kinds of health services. The patient's doctor or the particular organization or agency selected for hospice care can tell the patient whether its program is approved by Medicare. Information about Medicare-certified hospice programs in local areas is also available from Social Security offices.





HOW LONG CAN HOSPICE CARE CONTINUE?

Special benefit periods apply to hospice care. A patient can receive hospice care for two periods of 90 days each and one 30-day period—a lifetime maximum of 210 days. If hospice care is chosen for the terminal condition but later the patient decides not to use it, he or she can cancel at any time and resume standard hospital and medical insurance benefits under Medicare Part A and Part B. If cancellation is made before the end of a hospice period, any days left in that period are forfeited, but the patient is still eligible for any remaining hospice periods. For example: if a patient cancels at the end of 60 days in the first 90-day period, he or she loses the remaining 30 days. However, the patient is still eligible at a future time for the second 90-day period and one 30-day period. A patient can change from one hospice program to another once during each period without canceling the hospice care.

If a patient continues to need services after the hospice benefit periods are exhausted, the hospice must continue providing care unless the patient no longer wants hospice services.

HOW IS PAYMENT MADE?

Medicare pays the hospice directly for the full cost of all of the reasonable and necessary covered services it provides for a terminal illness and related health problems. There are no deductibles or co-payments, except for two items:





- Drugs or biologicals for pain relief and symptom management: The hospice can charge 5 percent of the reasonable cost, up to a maximum of \$5, for each outpatient prescription for pain relief and symptom management;
- Inpatient respite care: During a hospice period a patient may need short-term inpatient care to enable the person who regularly assists to get some temporary relief. This is called *respite care* for which the hospice can charge 5 percent of the cost of the inpatient stay, up to a total of \$356 (1984 amount). The patient may not be charged more than this amount during a period that begins when a hospice plan is first chosen and ends 14 days after such care is canceled. (Respite care is limited each time to stays of no more than five days in a row).

ARE OTHER MEDICARE BENEFITS AVAILABLE IN ADDITION TO HOSPICE CARE?

Since Medicare hospital insurance (Part A) covers the full cost of all medical and support services for a terminal condition, the patient gives up the right to payment for standard Medicare benefits for the terminal illness when hospice care is chosen. However, there are two exceptions:

- If a patient's attending physician is not working for the hospice, Medicare medical insurance (Part B) continues to pay for his or her services in the same way it usually pays for other doctor's services. Medicare pays for 80 percent of the approved amount for covered services after the annual Part B deductible is met.



- Medicare continues to cover treatment for conditions other than the terminal illness, under standard Medicare benefits.

All other services must be provided by or through the hospice.

When care from a hospice is chosen, Medicare cannot pay for:

- Treatment for the terminal illness which is not for symptom management and pain control;
- Care provided by any other hospice (unless the patient's hospice arranged it);
- Care from another provider which is the same as, or duplicates, care the hospice is required to provide.

FOR FURTHER INFORMATION

For information about the location of Medicare-certified hospice programs get in touch with your nearest Social Security office.

For more detailed information about the Medicare program please refer to *Your Medicare Handbook*. You can get a free copy at any Social Security office.

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